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FISCAL IMPACT REPORT

SPONSOR Ortiz y Pino **ORIGINAL DATE** 2/19/19
LAST UPDATED _____ **HB** _____

SHORT TITLE Culinary Industry Business Training Program **SB** 516

ANALYST Klundt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$100.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

SUMMARY

Senate Bill 516 appropriates \$100 thousand from the general fund in FY20 and subsequent fiscal years to the Workforce Solutions Department (WSD) to develop an entrepreneurial and business training program in order to increase the number of culinary entrepreneurs in the state.

FISCAL IMPLICATIONS

The appropriation of \$100 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall not revert to the general fund. WSD reported the appropriation contained in this bill will be sufficient to implement this bill.

SIGNIFICANT ISSUES

WSD receives approximately \$25 million from the U.S. Department of Labor (USDOL) that is distributed to the four local workforce development boards to fund subsidized training activities for adults, dislocated workers and youth using individual training accounts (ITA) as part of the Workforce Innovation and Opportunity Act (WIOA). Participants interested in culinary arts can currently choose from 12 programs registered in the Statewide Eligible Training Provider List (ETPL). WSD oversees ETPL to ensure inclusion of quality training programs across the state.

Inclusion on the ETPL requires programs to share program costs as well as performance outcomes for participants, such as completion and employment rates. Information from the ETPL is reported to USDOL in accordance with state and federal policies and procedures.

Additionally, WIOA includes entrepreneurial development and exploration as one of the fourteen workforce development activities for youth. These courses are designed to increase awareness of skills and practices necessary to support self-employment and small business development. All four local workforce development boards are required to include this training as part of their youth development strategies.

The Public Education Department (PED) also funds culinary arts programs as part of Career Technical Education (CTE) programs statewide using Carl Perkins funds. WSD supports efforts to assess and align resources across state agencies to support continuous improvement in the administration of workforce programs statewide. PED currently participates in regularly scheduled meetings hosted by WSD that includes other state agencies also responsible for workforce development activities including adult basic education, division of vocational rehabilitation, temporary assistance for needy families, senior employment and the Commission for the Blind. The primary purpose of these meetings is to align resources and to coordinate activities to meet the needs of job seekers from various perspectives.

OTHER SUBSTANTIVE ISSUES

According to the Quarterly Census of Employment and Wages (QCEW), in 2017 there were 3,381 establishments in the Food Services and Drinking Places industry (NAICS code 722) in New Mexico.

According to NMWSD 10-year projections, employment in the industry is expected to increase by 9.4 percent, or about 6,700 workers, from 2016–2026. This growth rate is higher than the projected rate for the entire state (6.7 percent).

Because the term “culinary entrepreneurs” is not defined, the table below includes 2017 median wages and projected employment figures for a number of occupations which could fit this definition. The table also includes the projected number of annual job openings to the year 2026.

Occupation	Occupation Code	2017 Employment	2017 Median Wage	2016 - 2026 Projections Total Percent Change	Projected Annual Employment Openings
Food Service Managers	119051	1,090	\$49,270	8.5%	142
Chefs and Head Cooks	351011	510	\$39,970	7.9%	89
First-Line Supervisors of Food Preparation and Serving Workers	351012	7,570	\$25,280	9.0%	1,246
Cooks, Institution and Cafeteria	352012	2,490	\$23,100	2.9%	413
Cooks, Restaurant	352014	8,120	\$22,770	11.2%	1,156
Cooks, All Other	352019	120	\$24,650	Confidential	26
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	359031	2,500	\$19,550	6.7%	630
Food Preparation and Serving Related Workers, All Other	359099	240	\$22,140	9.9%	29

Source: NMWSD Employment Projections and OES programs

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